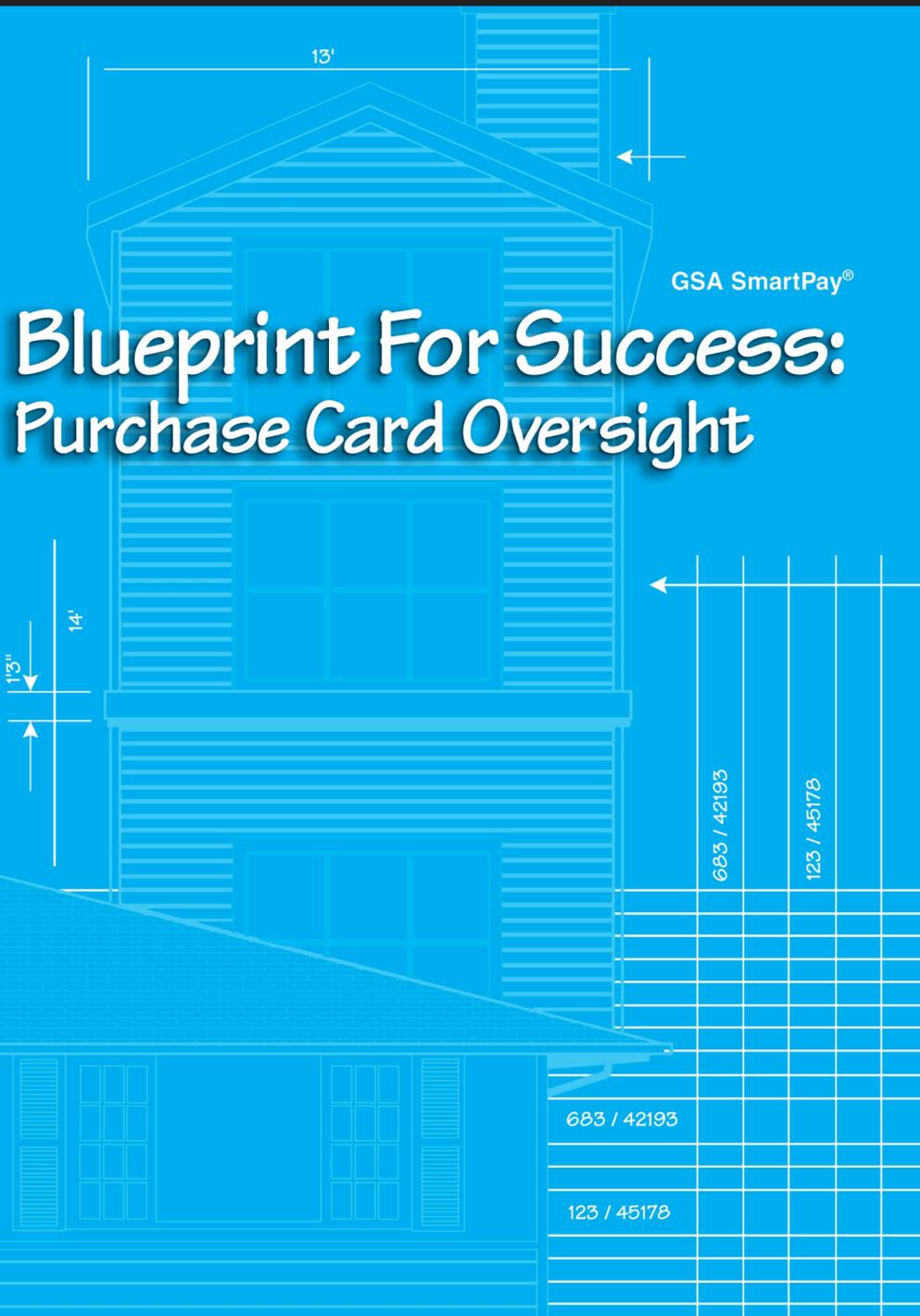


GSA SmartPay®

Blueprint For Success: Purchase Card Oversight



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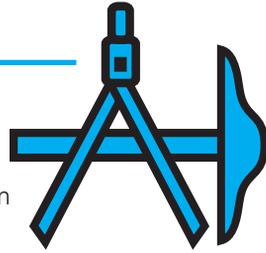
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This manual was prepared by a working group of Agency/Organization Program Coordinators (A/OPCs) who are interested in preventing and detecting cardholder fraud and misuse in the GSA SmartPay® Purchase Card Program. Their efforts are sincerely appreciated. Names are listed alphabetically.

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OVERVIEW

The GSA SmartPay® purchase card program provides cards to Federal employees to make official Government purchases. As the Agency/Organization Program Coordinator (A/OPC) assigned by your agency to oversee the use of the card, detection of misuse/fraud by Government employees is your responsibility. This manual is not a Government-wide policy handbook. Rather, it is intended to serve as an information source for preventing and detecting misuse and fraud with Government purchase cards. Use of the card should be in accordance with agency specific policy.



CHAPTER 1: UNDERSTANDING CARDHOLDER MISUSE AND FRAUD



If an employee in an agency becomes aware of possible misuse of a purchase card, the cardholder activity should be examined by the designated A/OPC to determine if further action is required. Some activity may appear suspect upon initial review, but, with further investigation, may be determined to be legitimate Government business that can include a broad range of activities. A/OPCs have access to cardholder information and would be the first point of contact in most situations.

WHAT IS CARDHOLDER MISUSE AND FRAUD?

As a general matter, fraud is the intentional misrepresentation of facts, deceitful practice, or willful device with intent to deprive another of his right or to do injury or damage to him.

In the case of Government purchase cards, intentional use of the purchase card for other than official Government transactions constitutes misuse, and depending on the facts, may involve fraud. The employing agency of a cardholder employee who misuses the card or who participates in fraud may cancel the purchase card and take disciplinary action against the employee, as appropriate. In the case of card misuse, the employee will be held personally liable to the Government for the amount of any unauthorized (non-Government) transaction.

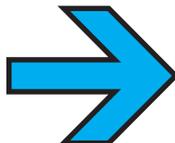
Additionally, depending on the facts involved, an employee may be subject to fine or imprisonment for action relating to purchase card misuse and fraud. For example, if convicted under 18 USC 287, a person is subject to a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members may be subject to court martial under 10 USC 932, UCMJ Art. 132. Also, depending on the circumstances, other sections of the USC may apply and may carry additional penalties or fines:

- Frauds and Swindles (Mail Fraud) – 18 USC 1341
- Fraud by Wire, Radio, or Television – 18 USC 1343
- Conspiracy – 18 USC 371
- Bribery, Graft, and Conflicts of Interest – 18 USC 201
- Laundering of Monetary Instruments – 18 USC 1956
- Embezzlement and Theft – 18 USC 641
- Fraud and False Statements – 18 USC 1001
- Extortion and Threats – 18 USC 871
- Conspiracy to Defraud the Government with Respect to Claims – 18 USC 286
- Persons in a Position of Trust – Normally used during sentencing. This statement is usually introduced by the Assistant U.S. Attorney to obtain additional points from the Federal Sentencing Guidelines.

Employees issued a card have a responsibility to use the card to procure supplies and services at the direction of the agency under official purchase authorization. Examples of misuse include: 1) purchases which exceed the cardholder’s limit 2) purchases which are not authorized by the agency 3) purchases for which there is no funding 4) purchases for personal consumption 5) purchases which do not comply with Federal Acquisition Regulation and/or other applicable procurement statutes and regulations, and 6) purchases that are billed by the merchant but are never received by the agency.

CONSEQUENCES

Purchase card misuse or fraud may have the following potential consequences for the cardholder:



CARD MISUSE CONSEQUENCES	
1	Cancellation of purchase card
2	Notation in employee performance evaluation
3	Reprimand
4	Suspension of employment
5	Termination of employment
6	Criminal prosecution
7	Counseling

The purchase card shall be used to purchase supplies and services in accordance with the Federal Acquisition Regulation (FAR).

Purchase card use as the procurement and payment tool for micro-purchases is defined in FAR 13.2. Micro-purchase means an acquisition of supplies or services in which the aggregate amount does not exceed \$2,500, except that the limit is \$2,000 in the case of construction. GSA cardholder training on use of the purchase card may be found at fss.gsa.gov/webtraining/training-docs/smartpaytraining/index.cfm.

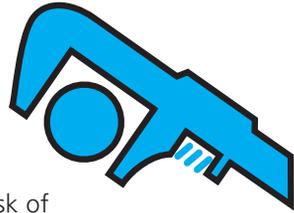
For purchases above the micro-purchase threshold, the purchase card may be used as an ordering and payment mechanism, not a contracting mechanism. When used as an ordering and payment mechanism, contractors may bill against the card. For example, an order has been placed against a GSA Federal Supply Schedule for \$15,000. The award was made using the ordering procedures in the Schedule. Instead of issuing an invoice, the contractor agrees to accept payment via purchase card. When the order is delivered, the contractor bills the purchase card account instead of issu-

ing an invoice directly to the agency. All applicable requirements of the Competition in Contracting Act, other statutes and Executive Orders, the Federal Acquisition Regulations, as well as agency supplements, apply to purchases made with the purchase card as the ordering and payment mechanism.

LIMITS ON USE

To allow agencies the maximum latitude, the Master Contract excludes only a few categories of purchases, such as long-term rental or lease of land or buildings, travel or travel related expenses (excluding conference rooms, meeting spaces and local transportation services such as Metro fare cards, subway tokens, etc.), and cash advances. Agencies may impose other restrictions on use of the card as well as any exception procedures. The Master Contract does not specifically address the maximum transaction amount that may be charged when using the card.

CHAPTER 2: UNDERSTANDING NON-CARDHOLDER FRAUD



Non-cardholder fraud involves use of the card or cardholder data by an unauthorized person. The risk of non-cardholder fraud is higher in certain situations including:

- **Card never received** – a new or replacement card has been mailed to the cardholder but was never received. Due to the possibility that the card could have been intercepted by a third party, the account will be cancelled by the bank upon notification from the cardholder that the card was not received. A new card with a new account number will be issued. Cardholders will be required to activate their card by phone once they receive it to ensure that the card has been properly received.

- **Lost card** – The cardholder reports that the card has been misplaced or lost. The account will be closed and a new card issued. Reporting the card as lost does not

relieve the Government for payment of any transactions that were made by the cardholder prior to reporting it lost. Cardholders may be required to sign an affidavit confirming their card was

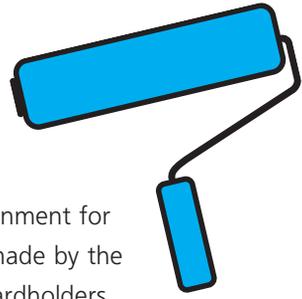
lost. If transactions appear on the cardholder statement, which were not made by the cardholder, the cardholder must submit a dispute form to the bank within 60 days of receipt of the statement. Failure to submit the dispute form and/or affidavit could result in liability of the Government for the transaction charge(s). A cardholder may waive his/her rights to dispute if the form is not sent in within 60 days.



WATCH FOR HIGH-RISK SITUATIONS

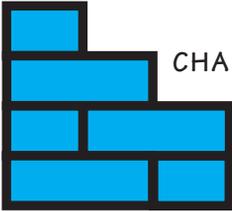
- CARD NEVER RECEIVED
- LOST CARD
- STOLEN CARD
- ALTERED OR COUNTERFEIT CARDS
- ACCOUNT TAKEOVER

- **Stolen card** – The cardholder reports that the card has been stolen by a third party. The account will be closed and a new card issued. Reporting the card as stolen does not relieve the Government for payment of any transactions that were made by the cardholder prior to reporting it stolen. Cardholders may be required to sign an affidavit confirming their card was stolen. If the cardholder did not make the transactions appearing on the cardholder statement, the cardholder must submit a dispute form to the bank within 60 days. Failure to submit the dispute form and/or affidavit could result in liability to the Government.
- **Altered or counterfeit cards** – These types of cards are normally identified by the bank's authorization process or by the cardholder when they receive their statement. Third parties obtained account information and used that information to make purchases with an altered or counterfeit card. If the banks recognize a fraudulent pattern of use at the time of authorization, the bank will validate the use of the card with the cardholder and/or suspend the card. The cardholder may be asked to sign an affidavit verifying that the transactions were fraudulent. If the cardholder did not make transactions appearing on the cardholder statement, the cardholder must submit a dispute form to the bank within 60 days. Failure to submit the dispute form and/or affidavit could result in liability to the Government.
- **Account takeover** – This situation may be known as identity theft. In this case the cardholder's identity has been compromised, and a third party requested a new card by providing confidential information about the cardholder. Any cardholder who believes that he or she may have been subject to identity theft should contact the bank's customer service department to prevent a third party from obtaining a card in the cardholder's name.



Once it is determined that an account has been compromised, investigation of the activity on the account is the responsibility of the bank. Unless it is determined that a Government employee is involved in the fraud, the agency generally does not participate in the investigation. The account will be closed and a replacement account opened. Non-cardholder fraud is investigated by

special units within the banks responsible for initiating civil actions and communicating with Government law enforcement organizations. Any information that you may acquire related to non-cardholder fraud should be reported to your bank. Cardholders should contact customer service at the toll-free number provided on the back of the card to report any suspected fraud.



CHAPTER 3: LIABILITY FOR PURCHASE CARD TRANSACTIONS

The GSA SmartPay® Master Contract clearly defines liability for purchase card transactions. Liability for transactions made by authorized cardholders rests with the Government. If the card is used by an authorized cardholder to make an unauthorized purchase, the Government is liable for payment and the agency is responsible for taking appropriate action against the cardholder. Use of the card by a person other than the cardholder, who does not have actual, implied, or apparent authority for such use and for which the cardholder receives no benefit, is not the liability of the Government. If you discover that someone other than the cardholder has used the card, report it immediately to your A/OPC and your Contractor's customer representative.

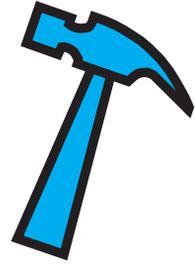


PURCHASE CARD LIABILITY!

IF THE CARD IS USED BY AN AUTHORIZED CARDHOLDER TO MAKE AN UNAUTHORIZED PURCHASE, THE GOVERNMENT IS LIABLE FOR PAYMENT AND THE AGENCY IS RESPONSIBLE FOR TAKING APPROPRIATE ACTION AGAINST THE CARDHOLDER

Under the terms of the GSA SmartPay® Master Contract, liability of the Government for lost or stolen cards shall not exceed the lesser of \$50 or the amount of money, property, labor, or services obtained before notification to the Contractor. The Contractor and the A/OPC are to be notified when it becomes evident that a card is lost or stolen. Cards that have been reported lost or stolen are blocked immediately by the Contractor for usage. The Contractor will issue the cardholder a new card with a new account number. After the cardholder reports a lost or stolen card, the Contractor will send the cardholder a letter. The letter will explain the steps that need to be taken by the cardholder. The cardholder should follow the instructions in that letter to mitigate liability for any unauthorized transactions. Unauthorized transactions may appear on the cardholder statement even though the card has been reported lost or stolen. If unauthorized transactions appear on a cardholder statement, the cardholder should contact customer service and file the appropriate forms.

CHAPTER 4: THE REVIEW PROCESS



Given that the agency is liable for unauthorized purchases by an authorized cardholder, agency purchase card policy should address reviews to be undertaken by the Approving Official (AO) and Agency/Organization Program Coordinator (A/OPC) to mitigate risk to the agency. First level review by the AO and/or A/OPC is the first line of defense. First hand knowledge of the type of products and services authorized by the organization resides at this level.

CARDHOLDER

At the end of each billing cycle, the cardholder shall reconcile the transactions appearing on his/her monthly statement by verifying their accuracy against cardholder records. The cardholder shall review all information on the monthly statement, verifying charges, credits, outstanding disputes and refunds.

APPROVING OFFICIAL (AO)

The Approving Official is responsible for ensuring that all purchases made by the cardholder(s) within his/her cognizance were appropriate and the charges are accurate. He/she must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the AO must notify the A/OPC and other appropriate personnel in accordance with agency policy. After review, the AO will sign the account statement and maintain the documentation in accordance with agency procedures. As designated by the agency, the AO may also be responsible for certifying the monthly invoice resulting from the purchases/transactions of the cardholders within his/her account structure.

The number of cardholders and the volume of transactions for which an approving official is responsible need to be reasonable so that the official may conduct reviews in a timely manner. Timely reviews of transactions are necessary to ensure detection of possible cases of card misuse and fraud.

The number of cardholders assigned to an approving official should be reasonable considering the volume of cardholder activity and the organizational structure. The AO should have direct knowledge of the cardholder's role in the agency and the ability to verify receipt of the purchase. In situations where cardholder use is infrequent, then more cardholders could be assigned to the AO. Although there is no definitive AO to cardholder ratio, the most common ratios are between 1:4 and 1:10.

AGENCY/ORGANIZATION PROGRAM COORDINATOR (A/OPC)

A/OPC reviews of the purchase card program must be accomplished to ensure adequate local internal controls are in place. The review should consist of an evaluation of local operating procedures to ensure that cardholders and approving officials

are operating within the prescribed policies. A review should encompass the following areas:



- *Compliance with agency policies*
- *Applicable training requirements*
- *Appropriate delegation of authority*
- *Integrity of the purchase process*
- *Compliance with procurement regulations*
- *Receipt and acceptance procedures*
- *Records retention*

Agency policy may require an annual review by each A/OPC. Depending on the number of accounts, the annual review may be performed on each account or on a random basis. A sample checklist for an annual review is included in the Appendix.



Best Practice: *Cardholders should use a standardized form to provide additional information to A/OPCs on questionable transactions (see Appendix 2-Page 57).*

WHO SHOULD HAVE CARDS?

There is no right number of cardholders for your agency. In certain circumstances, a large number of cardholders may be required to accomplish the mission of the agency. The risk of issuing more cards must be weighed against the need for more cardholders. A regular review of account activity will identify accounts with little or no activity. You should review use and close accounts no longer needed.



Best Practice: *A/OPCs are encouraged to review the number of cardholders as part of the Annual Review Process. Cards with little or no activity should be considered for cancellation.*

SEPARATION OF DUTIES

Agency policy should include direction regarding separation of duties to minimize the risk of fraud and/or loss of property. In particular, responsibilities of cardholders, approving officials and A/OPCs should not overlap to ensure that management controls are not circumvented. Assignment of duties such as authorizing, approving and recording transactions; receiving assets; approving cardholder statements; making payments; certification of funding; and reviewing or auditing should be assigned to separate individuals to the greatest extent possible.



Best Practice: When appointing A/OPCs or AOs, consider factors such as grade, position, training, etc. to ensure they can successfully perform their duties.

CHAPTER 5: INDICATORS OF CARDHOLDER MISUSE OR FRAUD



Some simple things to keep in mind when looking at transactions:

- Card misuse and cases of fraud often start small and may not stop after only one action. No matter how small the misuse or fraud, it should be addressed immediately to prevent any future occurrences.
- The card must only be used by the cardholder. If the cardholder is not directly involved in the transaction, there is greater risk that fraud will be committed.
- Cardholders should be able to provide documentation of purchases, i.e., invoices, receipts, etc. when requested by the approving official, A/OPC or auditors.
- Ensure that transactions are certified as soon as the cardholder receives them. Prompt certification allows for prompt remedial action in the event of misuse or fraud.
- Random reviews of cardholder records by the A/OPC will discourage misuse and fraud since cardholders and approving officials know their actions are being monitored.
- Government investigators tell us that in many instances the approving official and/or A/OPC would have detected fraud earlier with proper review.

The following checklist is provided to highlight indicators that may point to cardholder fraud. It is important to understand that these are indicators only and as such must be investigated further with the cardholder or other individuals.

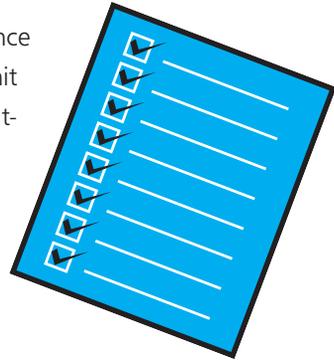
Merchant category codes are often used to highlight transactions requiring further investigation. While a transaction with a merchant in a questionable merchant category code (see Quick Reference Guide – Page 42) may initially raise questions, further investigation may reveal that the transaction was a legitimate purchase or that the merchant was misclassified.

ISSUE	YES	NO	COMMENTS
1 Does the transaction fall within a bolded merchant category code in the MCC table (Pg 42)?	<input type="checkbox"/>	<input type="checkbox"/>	
2 Does the merchant name appear to be outside the cardholder's general area of responsibility?	<input type="checkbox"/>	<input type="checkbox"/>	
3 Does the cardholder have several transactions with the same merchant within a short time frame (e.g., 48 hours) and does the amount of the transactions total more than \$2,500?	<input type="checkbox"/>	<input type="checkbox"/>	Possible split transactions
4 Has the account been closed due to fraud and a new card reissued?	<input type="checkbox"/>	<input type="checkbox"/>	
5 Has the cardholder disputed transactions on a frequent basis?	<input type="checkbox"/>	<input type="checkbox"/>	
6 Has the cardholder had multiple declined authorizations?	<input type="checkbox"/>	<input type="checkbox"/>	Cardholder training recommended
7 Does the cardholder have transactions (authorizations) occurring on non-working days (e.g., weekends)?	<input type="checkbox"/>	<input type="checkbox"/>	
8 Does the cardholder have higher than normal expenditures during the billing cycle?	<input type="checkbox"/>	<input type="checkbox"/>	
9 Has the dollar limit on the account been raised during the billing cycle?	<input type="checkbox"/>	<input type="checkbox"/>	A/OPC review recommended
10 Has the contractor been debarred (see http://epls.arnet.gov for listing) by the Federal government?	<input type="checkbox"/>	<input type="checkbox"/>	
11 Is the cardholder unable to provide proof of purchases such as receipts?	<input type="checkbox"/>	<input type="checkbox"/>	
12 Does the cardholder have multiple transactions of even dollar amounts (e.g., \$20, \$100)?	<input type="checkbox"/>	<input type="checkbox"/>	
13 Has the cardholder allowed others in the office to use his/her card for making purchases?	<input type="checkbox"/>	<input type="checkbox"/>	
14 Does the cardholder have recurring purchases of a high dollar value?	<input type="checkbox"/>	<input type="checkbox"/>	
15 Does the cardholder have transactions with two merchants with two different names but same address and owner?	<input type="checkbox"/>	<input type="checkbox"/>	
16 Does the cardholder repeatedly do business with the same merchants (minimal rotation)?	<input type="checkbox"/>	<input type="checkbox"/>	
17 Does the cardholder make repeated purchases close to his/her single purchase limit?	<input type="checkbox"/>	<input type="checkbox"/>	
18 Does the cardholder consistently hit his/her monthly limit?	<input type="checkbox"/>	<input type="checkbox"/>	
19 Does the merchant address appear to be a business or home address?	<input type="checkbox"/>	<input type="checkbox"/>	

CONVENIENCE CHECKS

Convenience checks provide a useful tool when the purchase card is not accepted. When use of the purchase card is not possible, convenience checks provide increased flexibility to acquire supplies and services in a timely manner. Convenience check transactions are similar to regular purchase card transactions in that they are listed as line items in the monthly card-holder statement and the invoice.

There is no authorization process for convenience checks. Agencies may elect to have a dollar limit imprinted on the check but there is no automated process to pre-approve the amount of the purchase. Due to the nature of this product, additional care should be taken in managing these accounts.



- Checks should be secured at all times to ensure against physical theft. Checks are negotiable instruments and are to be stored in a locked container, such as a safe or metal filing cabinet. Checks will be accounted for appropriately to prevent loss, theft or potential forgery.
- The number of accounts should be limited to reduce risk.
- The number of checks on hand should be limited to reduce risk.
- Before a check is issued, every reasonable effort should be made to use the purchase card. Maximum efforts should be made to find and use vendors that accept the purchase card. Due to the cost associated with convenience checks, the number of checks written should be kept to a minimum.

The Master Contract requires that the banks operate a convenience check writing system that allows agencies to make selected minor purchases and payments using checks in lieu of cash. The bank will: (1) provide a supply of checks to the designated convenience check account holder, (2) process and pay the checks as they are presented through the bank check clearing system for payment within established single purchase limits established by the A/OPC for each individual, and (3) provide a listing of the checks cleared on the monthly cardholder statement.

Hard copies of checks are generally available upon request.

The A/OPC is responsible for the implementation of the appropriate internal controls and oversight of convenience



CONVENIENCE CHECKS

THE A/OPC IS RESPONSIBLE FOR THE IMPLEMENTATION OF THE APPROPRIATE INTERNAL CONTROLS AND OVERSIGHT OF CONVENIENCE CHECK ACTIVITY

check activity, including ensuring that all checks issued are for official Government business only. The A/OPC must verify that each check issued was both necessary and in compliance with the agency's convenience check policy.

The cardholder should record in his/her files the date, check number, payee and amount of each check.

CHAPTER 6: USING REPORTING TOOLS TO FIND MISUSE AND FRAUD



An A/OPC can use the servicing bank’s electronic access system in order to generate agency reports as a means of detecting fraud. There are several essential reports that can provide transaction data with different levels of detail. Each report can be made available at every level of the hierarchy. The following list of reports may be utilized to detect misuse and fraud within your program:

- **Account Activity Report** – This report shows all accounts in the activity and spending for each account during the billing cycle. The report provides details on each transaction such as transaction date, transaction type (credit, debit, convenience check, etc.), merchant name and dollar amount. This report may be used to sort transactions by dollar size, merchant, date or type. This report is particularly useful for identifying suspicious merchants, unusually high spending patterns, excessive convenience check usage or untimely purchases.



FRAUD REPORTING TOOLS
• <i>Account Activity Reports</i>
• <i>Declined Authorizations Reports</i>
• <i>Disputes Reports</i>
• <i>Unusual Spending Activity Reports</i>
• <i>Lost/Stolen Card Reports</i>
• <i>Master File Reports</i>
• <i>Ad Hoc Reports</i>

- **Declined Authorizations** – If available, the declined authorization report will identify cardholders who have attempted to use a card to buy an item (1) for which they are not authorized, (2) that exceeds their single purchase limits, (3) that exceeds their monthly purchase limit, or (4) from a merchant that is assigned an inaccurate merchant category code. If a cardholder consistently has declined authorizations, the A/OPC should provide additional training or make a change to the cardholder authorization controls or dollar limits to address an official requirement.

- **Disputes** – The disputes report identifies date, merchant, reason code, dollar amount and status of each dispute filed by a cardholder. Reviewing the report would identify cardholders with excessive disputes; the cardholder may require training or may be trying to disguise misuse or fraudulent activity. Approving officials and A/OPCs should track and follow up on disputes to determine their outcomes. Cardholders should attempt to resolve disputes directly with merchants prior to filing a dispute report. If a merchant is consistently appearing on the dispute report, the A/OPC should determine whether the merchant has billing issues, quality issues or is attempting to commit fraud by submitting false transactions.
- **Unusual Spending Activity** – The banks offer various reports identifying transactions, which may warrant further review. These reports vary by bank.
- **Lost/Stolen Card** – This report identifies cards that are reported lost or stolen. This report may be reviewed to identify cardholders who have repeatedly reported their cards missing. This may be an indicator that the cardholder needs to secure their card or that the cardholder is attempting to disguise misuse or fraudulent activity by denying the charges.
- **Master File** – The master file should be reviewed periodically to eliminate cardholders who are no longer employed in the agency, to correct addresses and to verify whether card limits and authorization controls are appropriate.
- **Ad Hoc Reports** – The banks offer a wide range of ad hoc reporting tools. Check with your bank to determine what is available.

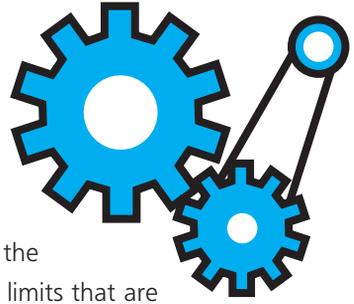


Best Practice: Place ad hoc reports in a shared folder so all A/OPCs can access them. This saves A/OPCs from developing reports and ensures consistency across the organization.

CHAPTER 7: PREVENTIVE MEASURES

CREDIT LIMITS

Credit limits restrict single purchase, daily, weekly, or monthly expenditures by the cardholder. In accordance with agency policy, an A/OPC may set the limits which best meet the agency's needs. Setting limits that are realistic but not excessive will deter cardholder misuse. By reviewing cardholder spending patterns, you may be able to lower limits without jeopardizing the employee's mission. A/OPCs have the authority to raise limits at any time in response to emergency or unforeseen situations.



Best Practice: Only A/OPCs two levels above the cardholder may raise limits according to agency policy.

MERCHANT CATEGORY CODE (MCC) BLOCKS

MCCs are established by the bankcard associations or banks to identify different types of business. Merchants select the codes best describing their business. You may limit the types of businesses where the card will be accepted by limiting the MCCs available to the cardholder. Your bank has established sample templates that may assist you in determining which MCCs should be restricted. The MCCs found in the Quick Reference Guide are an initial list to consider. In the event that a cardholder needs to make a purchase outside of his/her restricted MCCs, an A/OPC is authorized to override the restriction for a transaction by contacting the bank's Customer Service Representative. Agency policy should specify who is authorized to perform overrides.

If you question a purchase based upon the MCC, it is advised that you discuss the matter with the cardholder to determine the nature of the purchase. What may appear to be an inappropriate use of the card actually may be a matter of an erroneous or misclassified MCC. Some merchants operate multiple types of businesses or change the nature of their business over time so that the MCC becomes inaccurate. If a merchant has an inaccurate MCC, the merchant should notify their acquiring bank and request that it be corrected.

AGENCY POLICIES

Policy will vary from agency to agency based on mission considerations. It is recommended that agency policy address the following areas to ensure that clear guidance is provided to A/OPCs, approving officials and cardholders:



- *Delegation of contracting authority*
- *Training requirements*
- *Account limits*
- *Uses of the card*
- *Receipt and acceptance of supplies and services*
- *Reconciling accounts*
- *Review procedures*
- *Span of control for approving officials and A/OPCs*
- *Criteria for establishing accounts*
- *Criteria for cancelling accounts with minimal activity*

DEFINE THE A/OPC ROLE

Each agency should include a list of A/OPC duties and responsibilities in its written policy and A/OPC training materials to ensure that all parties understand their role. This is particularly important in situations where there is frequent turnover of A/OPCs. Contractor provided A/OPC guides can assist agencies in training their A/OPCs.

The A/OPC generally serves as the focal point for answering questions, contract administration, coordination of the applications, issuance and destruction of cards, setting authorizations, establishment and review of reports, administrative training, and is the overall point of contact. The A/OPC is authorized to establish new accounts and set authorization controls.



Responsibilities typically include:

- Maintaining an up-to-date list of account names, account numbers, addresses, e-mail addresses, telephone numbers, etc., of all current cardholders and accounts.
- Providing to the Contractor(s) any changes in their organizational structure that may affect invoice/report distribution.
- Reviewing and evaluating the Contractor’s technical and administrative task order performance and compliance.
- Resolving technical and operational problems between the Contractor and cardholders as required.
- Taking appropriate action regarding delinquent accounts and reporting to internal investigative units and the GSA Contracting Officer any observed violations of applicable executive orders, laws or regulations.
- Participating in training conferences and training cardholders.
- Ensuring cardholders use the card program correctly.
- Monitoring account activity and managing delinquencies.
- Ensuring that appropriate steps are taken to mitigate suspension or cancellation actions.



THE A/OPC ROLE

THE A/OPC IS THE EYES AND EARS OF THE ORGANIZATION. THE IMPORTANCE OF THE A/OPC’S ROLE CANNOT BE OVERSTATED.

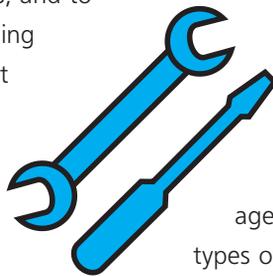
The A/OPC is the eyes and ears of the organization. The importance of the A/OPC’s role cannot be overstated.

AUDITS AND INVESTIGATIONS

The Inspector General Act of 1978 established the Office of Inspector General (IG) in departments and agencies to conduct audits and investigations related to programs and operations, to provide leadership, to recommend policies that detect and prevent fraud and abuse in programs and operations, and to provide a means for informing the head of the department or agency of problems or deficiencies. A strong bond between the purchase card program office and the Office of Inspector General is key to successful management of your card program. There are generally two types of functions performed by the IG: audits and investigations. Audits are performed to ensure compliance with policy and to detect fraud and misuse. Audits are general in nature and not focused on specific actions or individuals. Audits may review internal or external operations. Investigations are more specific in nature, although they may look at several areas or individuals inside and outside the organization. The

purchase card office should work with the IG to gather data on completed investigations so that preventive measures can be addressed in agency purchase card policy.

JOINT AGENCY COORDINATION



Joint agency coordination is important because in many situations an agency conducting an investigation discovers that another agency is also a victim. The types of criminal acts involved in purchase card fraud are often conducted in rings. Further, in the case of contractor involvement, the contractor normally does business with multiple Federal agencies and usually continues the same behavioral patterns with other Government employees.

An example of joint agency coordination is the Joint Federal Task Force “Sudden Impact,” assembled by the FBI in the autumn of 2001 in the Washington, D.C. Metropolitan area. This task force is compiled of multiple Federal agencies ranging from

the U.S. Army Criminal Investigation Command to the Defense Criminal Investigation Service to the Environmental Protection Agency. This task force meets on a regular basis, not only to discuss new purchase card investigations, but also to conduct proactive analysis of purchase card activity. The FBI has provided space with computers in order to download and compile purchase card activity for task force review. The task force receives prosecutorial assistance from attorneys within the Justice Department and the Department of Defense.

TRAINING CARDHOLDERS

Training is a key component of fraud prevention. Numerous training options are available to assist A/OPCs in the administration of the purchase card program. In addition to these options, each agency should determine whether they require supplemental training to address agency specific issues.

The following tools are provided at no cost by either GSA or the contractors:

- **A/OPC Guide** – The guide addresses issues of concern to the A/OPC, including responsibilities of program participants, account setup and maintenance, account suspension/cancellation, disputes, reports and invoicing procedures. The guide is available from your Contractor in hard copy and/or via the Web.
- **Cardholder Guide** – The guide addresses authorized uses of the card, disputes and billing. This guide is also available from your bank.



CARDHOLDER TRAINING TOOLS

- **A/OPC GUIDE**
- **CARDHOLDER GUIDE**
- **ANNUAL GSA SMARTPAY® CONFERENCE**
- **GSA ONLINE CARDHOLDER TRAINING**

- **Annual GSA SmartPay® Conference** – GSA sponsors an annual conference to train A/OPCs on account administration, program management, reports and electronic access systems. Information regarding the conference may be found on fss.gsa.gov/services/gsa-smartpay.

GSA purchase cardholder training is designed to provide cardholders with the basic information they need to make official purchases. It includes a review of cardholder responsibilities and a quiz. It is available online at fss.gsa.gov/webtraining/trainingdocs/smartpaytraining.

DEACTIVATION

In those instances when cards are not needed on a continuous basis, deactivation of the card may serve as a deterrent to fraud or misuse. A/OPCs may deactivate cards when cardholders are not using the card. Deactivation/activation can be completed through the bank electronically or by calling customer service. If someone attempts to use a deactivated card the authorization will be declined. The card is not cancelled and can easily be reactivated by the A/OPC either electronically or through customer service. If you intend to use this process, be sure you understand any relevant timeframes for reactivation.

AUTOMATED TRANSACTION REVIEW

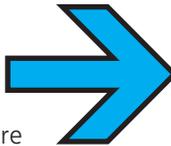
The banks can provide agencies transaction files in an electronic format. With receipt of electronic transaction data, an agency has the option of reviewing cardholder activity via data mining. Data mining is the extraction of useful information from a database using artificial intelligence algorithms and neural networks. Several agencies are in the process of developing data mining tools to highlight potential misuse or fraud. The accuracy of the tools is contingent upon models, which depict fraud occurrences. In order to develop accurate models, the patterns of cardholder misuse and fraud must be documented and understood.

CHAPTER 8: TAKING ACTION



As the A/OPC, you have the responsibility to report any suspected or actual fraud to the appropriate authorities within the Government. An A/OPC can file a complaint with their agency's Inspector General (IG) if they suspect fraud by a cardholder, merchant or other third party. Investigations are initiated upon receipt of a complaint or other information that gives a reasonable account of the wrongful or fraudulent act. Many agencies provide fraud hotline numbers to facilitate reporting of fraud. Make sure that A/OPCs, approving officials and cardholders are aware of the hotline number.

When calling or sending in a complaint, be as specific as possible. As the A/OPC you should provide:



Inquiries, which are informal administrative investigations, normally are completed within 180 days. However, the time required to conduct an inquiry

may vary depending on the complexity or amount of additional information needed to complete the investigation. Typically, the investigator can only tell you if your case is open or closed because of restrictions on disclosure of records covered by the Privacy Act of 1974. If a copy of the report is required, you can make a written request to the Inspector General's Office.

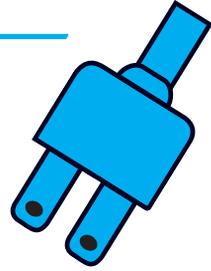
DETAILS FOR A COMPLAINT	
1	<i>The employee's full name</i>
2	<i>Rank or pay grade</i>
3	<i>Duty station</i>
4	<i>The specific fraudulent act or wrongdoing</i>
5	<i>Specific dates and times</i>
6	<i>Specific location of where the fraudulent act occurred, if available</i>
7	<i>How the individual completed the alleged fraudulent act</i>

Based on the findings of the investigation, you may be required to notify an employee's supervisor and human resources office for further internal administrative action. Depending on the circumstances, an A/OPC may contact several organizations, such as the bank's fraud unit, the Inspector General (IG), the Fraud Hotline, the DoD Criminal Investigative Service (DCIS), the Federal Bureau of Investigation (FBI), the Naval Criminal Investigation Service (NCIS), the United States Army Criminal Investigation Command (USACIDC), or the Air Force Office of Special Investigations (AFOSI).

CHAPTER 9: WEB SITE INDEX

<http://www.usoge.gov/home.html>

The Office of Government Ethics (OGE) Web site provides the Standards of Ethical Conduct for employees of the Executive Branch; see publications, brochures and pamphlets for copies.



<https://www.gsa.gov/services/gsa-smartpay>

The GSA SmartPay[®] Web site provides a copy of the Master Contract, contractor guides, performance summaries and a list of agency representatives for questions and answers.

<https://www.gsa.gov/webtraining/trainingdocs/smartpaytraining>

This is a direct link to the GSA SmartPay[®] purchase card training. This training will teach new cardholders how to use the purchase card responsibly.

<http://www.statebuy.gov/home.htm>

This Web site provides policy and operational guidance as well as other related resources for Department of State, USAID, USIA, and the Peace Corps for both domestic and overseas activities.

<http://www.navsup.navy.mil/>

This Web site displays policy, a tutorial and related links for the Department of the Navy purchase card program. This Web site can also be accessed through the GSA SmartPay[®] Web site under GSA SmartPay[®] – Agency Information. Select the link “Learn more about your agency card program.”

<http://purchasecard.saalt.army.mil>

This Web site displays policy and operational guidance for the Department of Defense purchase card program. This Web site can also be accessed through the GSA SmartPay[®] Web site under GSA SmartPay[®] – Agency Information. Select the link “Learn more about your agency card program.”

<http://www.dodig.osd.mil>

This Web site displays information on the scope of responsibility and leadership offered to prevent and detect fraud and abuse in programs through the Office of the Inspector General.

<http://www.dsccl.dla.mil/offices/base>

This Web site was developed to provide program participants with access to information that will assist them in complying with all regulatory requirements and instructions received from DoD, DLA and DSCC.

<http://www.arnet.gov/far>

The Federal Acquisition Regulation (FAR) was established to codify uniform policies for acquisition of supplies and services by executive agencies. It is issued and maintained jointly, pursuant to the OFPP Reauthorization Act, under the statutory authorities granted to the Secretary of Defense, Administrator of General Services and the Administrator, National Aeronautics and Space Administration.

CHAPTER 10: DEFINITIONS

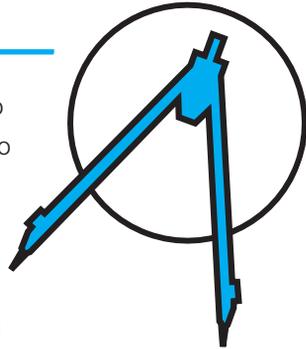
GSA SmartPay® – contracts managed by GSA to provide fleet, travel and purchase charge cards to Federal agencies/organizations.

Purchase Card – charge card issued by a GSA SmartPay® Contractor, which is used to pay for supplies, or services procured at the direction of a Federal agency/organization under official purchase authority. The agency is invoiced for the purchases and makes payment directly to the bank.

Cardholder – any individual or agency/organization component designated by the agency/organization to receive a card.

Approving Official (AO) – individual tasked with reviewing transactions of cardholders to assure proper use of the purchase card. Approving Officials make sure that purchases are necessary for accomplishing the mission of the agency. They may also be known as reviewing or certifying officials.

Agency/Organization Program Coordinator (A/OPC) – The A/OPC generally serves as the focal point for answering questions, for task order administration, establishing and maintaining accounts, issuance and destruction of cards. Only the A/OPC is authorized to request that the contractor establish new accounts. The A/OPC oversees the card program(s) for his/her agency/organization and establishes guidelines. Changes to authorization controls must be submitted to the contractor by the A/OPC.



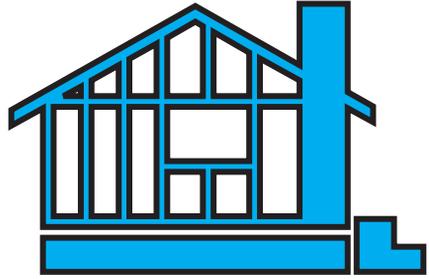
LIST OF ACRONYMS

A/OPC	Agency/Organization Program Coordinator
AO	Approving Official
AFOSI	Air Force Office of Special Investigation
DCIS	DOD Criminal Investigative Service
DLA	Defense Logistics Agency
DSCC	Defense Supply Center Columbus
FAR	Federal Acquisition Regulation
FBI	Federal Bureau of Investigation
IG	Inspector General
MCC	Merchant Category Code
NCIS	Naval Criminal Investigation Service
OFPP	Office of Federal Procurement Policy
UCMJ	United Code of Military Justice
USACIDC	United States Army Criminal Investigation Command
USAID	United States Agency for International Development
USC	United States Code
USIA	United States Information Agency

QUICK REFERENCE GUIDE

Contract Specific Information

This quick reference guide provides an A/OPC with a consolidated look at the Master Contract. This guide will help you answer questions about contract terms and conditions and what your roles and responsibilities are as a purchase card A/OPC.



What is the scope of the Master Contract?

The purpose of the Master Contract is to provide a worldwide procurement, payment and functional data storage mechanism to support authorized purchases, expenses, and/or streamline purchase and payment systems for the Fleet, Travel, and Purchase Card Programs as well as an integrated solution. All financial, management and administrative products and services, current and emerging, which assist in the support of authorized purchases, expenses and/or streamline purchase and payment systems falls within the scope of this contract.

In the task order issued to your bank, additional requirements may be included.

What is the purpose of the Government-wide Purchase Card Program?

- The Government-wide Purchase Card Program is to provide commercial credit cards and associated services in support of official Government purchases.
- Streamline ordering, payment and procurement procedures and reduce administrative cost under the Simplified Acquisition Threshold.
- Improve Government operations by simplifying the financial process.
- Allow a platform to improve Government operations and accountability.

What type of contract vehicle is used for the purchase card?

The Master Contract is a Fixed Price, Indefinite Delivery, Indefinite Quantity (IDIQ) task order contract. The contract period is 11/30/98 – 11/29/03 with five one-year option periods. GSA has the unilateral right to exercise the option periods of the Master Contract.

What is a Mandatory/Non-Mandatory User?

- A Mandatory User is an agency that, at the on-set of the Master Contract, **agreed to use** fleet, travel or purchase cards. This agency may not purchase similar services outside of the GSA Master Contract. The banks **are required** to accept orders from mandatory users.
- A Non-Mandatory User is an agency that has not agreed at the on-set of the Master Contract to be a mandatory user. These agencies may choose to use the GSA contract for their purchase card supplies and services, but are under no obligation to do so. The Contractor **may or may not accept** orders from a non-mandatory user.

What is a Centrally Billed Account?

A Centrally Billed Account (CBA) is a card/account established by the Contractor at the request of the agency/organization or their designee. These accounts may be card/card less and payments are made directly to the Contractor by the agency/organization or their designee. All purchase cards are set-up under a centrally billed account.

How can my agency utilize Purchase Card Services?

Your agency's Chief Financial Officer, Chief Administrative Officer and Procurement Executive decides which bank will be issued a task order to provide purchase cards to your agency. The task order will designate who has authority within your agency to administer the program (set-up accounts, receive reports, etc.). Your agency may also choose to tag-along with another agency's task order to obtain more favorable terms.

What are my basic roles and responsibilities as the...?

- **Agency** – Each agency must designate an Agency/Organization Program Coordinator (A/OPC) who shall function as the agency's primary liaison to the Purchase Card Contractor and to GSA. The agency must also identify cardholders and designate a billing and disputes office.

- **A/OPC** – Agency/Organization Program Coordinator (A/OPC) shall have the overall responsibility for the purchase card program within their agency/organization. The A/OPC generally serves as the focal point for:
 - Answering Questions
 - Contract Administration
 - Coordination of Applications
 - Issuance and Destruction of Cards
 - Establishment and Review of Reports
 - Administrative Training
 - Establishment of Guidelines for the Agency/Cardholder
 - Monitoring Fraud and Misuse within their program

- **Cardholder** – Cardholders are responsible for:
 - Understanding their agency’s policies and procedures regarding the use of a purchase card
 - Using the card for authorized purchases
 - Reporting their card lost or stolen
 - Keeping a record of their purchases
 - Reconciling their account
 - Disputing transactions in accordance with the bank’s policy

What Inter/Intranet tools are available to the A/OPC?

The Contractor will provide an electronic access system in order for the A/OPC to implement, manage, receive and complete all reporting requirements. The electronic access system will allow the A/OPC to view statements, send in program forms, set-up accounts, maintain accounts, activate/deactivate accounts, update authorizations and download reports.

How are accounts set-up and cancelled?

The A/OPC is responsible for the set-up and maintenance of all accounts. Account set-up forms must be completed for each cardholder and approved by the A/OPC. You can acquire the account set-up forms from your official A/OPC guide or from your bank's web site. Completed account forms can be sent to the bank via fax, mail, e-mail or their electronic access system. In cases where there is an emergency, an A/OPC can give verbal directions to the bank to set-up an account, with electronic/written confirmation to the bank within 3 business days. Setting up a Convenience Check account may also be accomplished by completing a bank provided form.

When can the bank suspend an account?

The bank shall notify the A/OPC and the Designated Billing Office (DBO) requesting payment on undisputed past due (45 days from billing date) accounts. The bank shall provide a pre-suspension report to the A/OPC to identify the undisputed overdue amounts. After 55 calendar days from the billing date the bank shall notify the A/OPC and the DBO electronically or in writing of suspension if payment for the principal amount is not received by the close of business on the 5th calendar day after notification. The bank is required to automatically reinstate suspended accounts upon payment of the undisputed principal amount and Prompt Payment Act Interest.

When can the bank cancel an account?

The bank has the discretion to initiate cancellation procedures on accounts. Cancellation must be initiated within 180 calendar days of the billing cycle in which the charge appeared. If the bank initiates cancellation they shall provide a pre-suspension/pre-cancellation report to the A/OPC to identify the undisputed amount that is overdue. There are two reasons in which a bank may initiate cancellation: the account has been suspended two times during a 12 month period for undisputed amounts **OR** the account is 120 calendar days past the billing date and suspension procedures have been met. After 120 calendar days past the billing date the bank shall send a letter to the A/OPC and the DBO requesting payment of the undisputed principal amount. If payment is not received by the close of business on the 5th calendar day after notification 126 days from the billing date, the bank may cancel the account. The bank may, but is not required to, reinstate cancelled accounts upon payment of the undisputed principal amount and Prompt Payment Act Interest.

As the A/OPC you have the discretion to initiate suspension and/or cancellation procedures. You must document the reason for cancellation or suspension.

What items cannot be purchased with the card?

It is the A/OPC's responsibility to coordinate, establish, set-up, and understand his or her agency's policies and procedures regarding the definition of authorized purchases. However, the Master Contract issued by GSA specifies that the following items shall NOT be purchased with the purchase card:

- long-term rental or leasing of land or buildings
- travel or travel-related expenses (excluding conference rooms and meeting spaces and local transportation services (e.g. Metro Fare cards, subway tokens, etc.)).
- cash advances

How are invoices issued/processed?

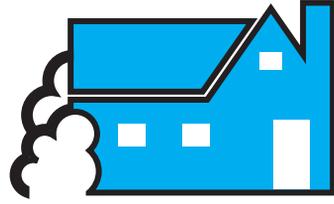
Invoicing will occur on a monthly basis, unless otherwise specified by the agency. The agency policy shall include a process for a thorough manual or electronic reconciliation of all transactions, debits and charges posted to the account during the billing cycle.

Settlements for centrally billed accounts are made directly by the agency/organization designee. The contractor shall accept payment from multiple sources electronically and post such payments within 2 business days of receipt of payment to the agency's specified account.

FILING DISPUTES

There are various reasons for disputing transactions including:

- Unauthorized or incorrect charges;
- Charges for merchandise which has not been received;
- Charges for returned merchandise; or
- Statement does not include credits for which the cardholder has been issued a credit slip.



In most cases, the cardholder should contact the merchant directly to resolve any disputed charges. The cardholder should request a credit from the merchant. Disputed sales tax or shipping charges must be resolved by the cardholder and the merchant, as these are not disputable items. In the case of a lost/stolen card, the cardholder should contact the A/OPC and the bank's customer service representative in lieu of the merchant.

If the cardholder and merchant are unable to resolve the dispute, the cardholder should complete a dispute form. The cardholder should visit the bank's Web site, contact the Contractor via a toll free number or access the bank's electronic access system to obtain a dispute form. The cardholder should complete the form and include the account number, transaction date, merchant name, transaction amount, cardholder signature, and a detailed explanation of the dispute.

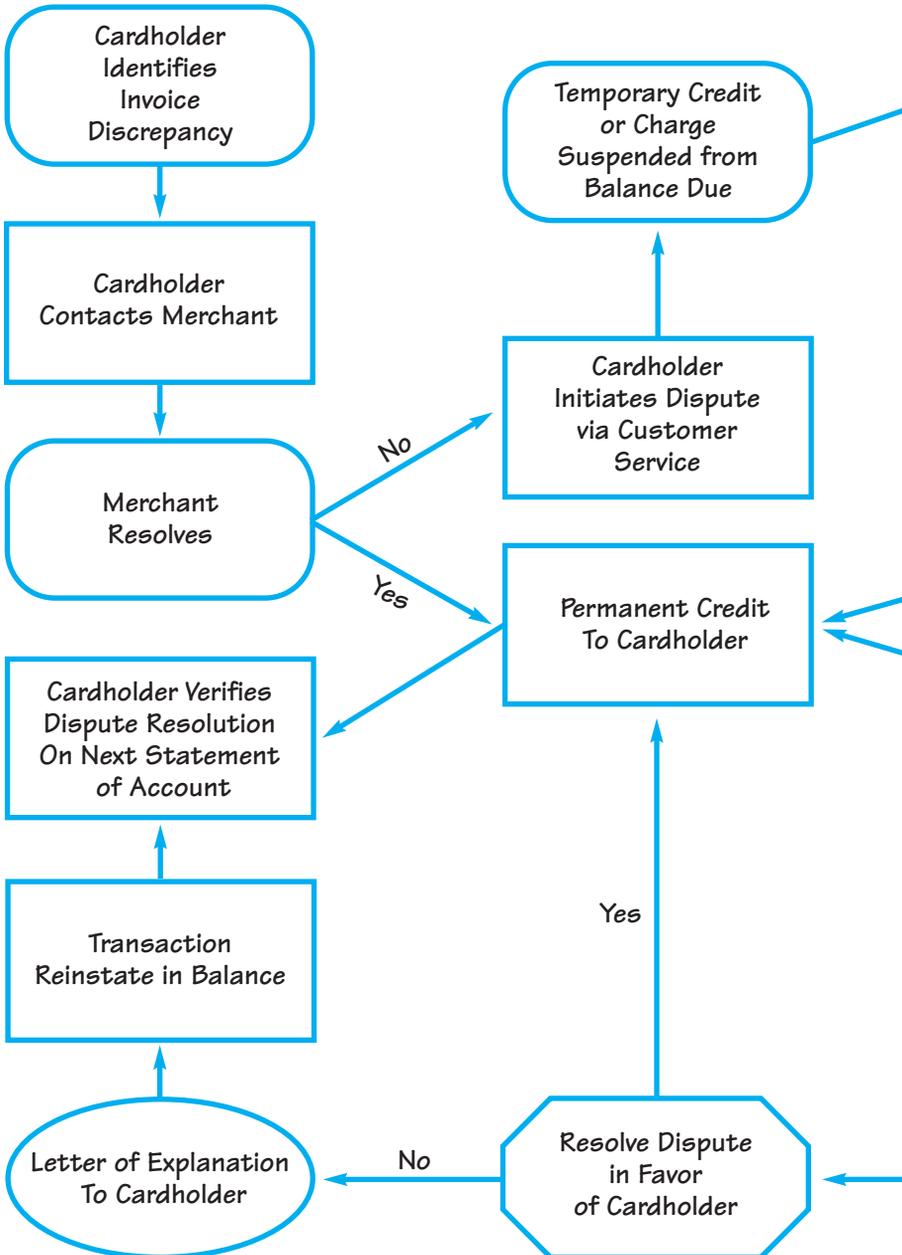
All disputes must be reported to the agency's customer service representative within 60 days of receipt of the disputed statement. The Contractor will suspend the disputed charge and provide immediate temporary credit to the account. The Contractor will investigate the disputed charge by contacting the merchant and requesting a response. A merchant is required to respond to a disputed charge within 21 to 45 days after receipt of the request. If the merchant does not respond within 45 days, the disputed charge will be resolved in favor of the cardholder and the merchant will be charged back for the particular goods or services. If the disputed charge is

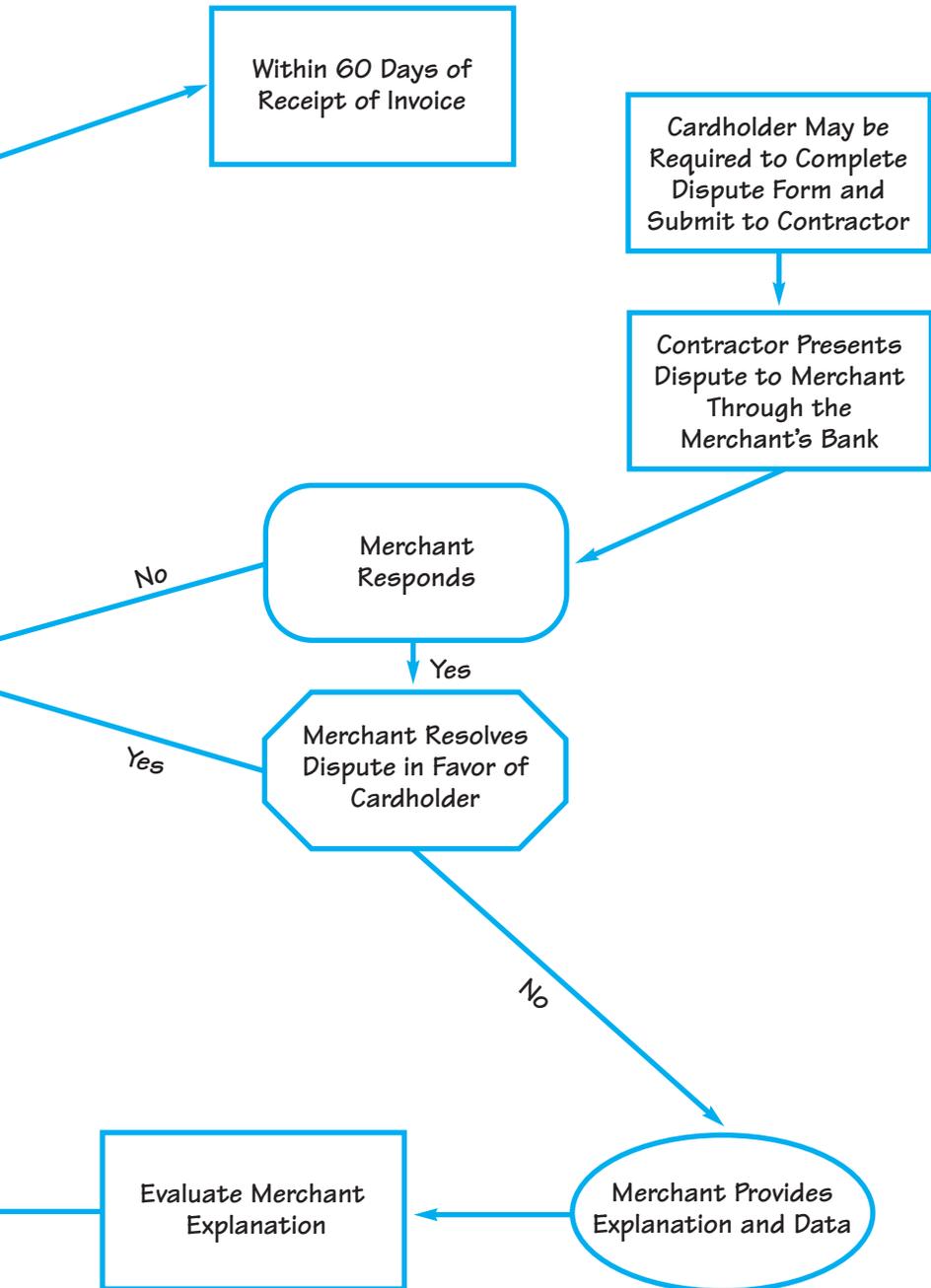
resolved in favor of the merchant, a letter will be sent to the cardholder explaining that the charge will appear on their next statement.

As the A/OPC, you should monitor disputes filed by cardholders. If a transaction is disputed, the approving official would not be required to review and approve it. If the bank determines that the cardholder did

legitimately make the purchase by providing a signed receipt or other evidence of a valid transaction, the charge will appear on the next statement. If the bank determines that the transaction was not proper, the charge will not appear on the next statement. Merchants with a high number of disputes should be watched to determine if they are acting improperly.

DISPUTE RESOLUTION PROCESS





MERCHANT CATEGORY CODES

(BOLDED CATEGORIES MAY BE SUBJECT TO FURTHER INVESTIGATION)

- 0742 Veterinary Services
- 0763 Agricultural Cooperative
- 0780 Landscaping Services
- 1520 General Contractors
- 1711 Heating, Plumbing, A/C
- 1731 Electrical Contractors
- 1740 Masonry, Stonework, Plaster
- 1750 Carpentry Contractors
- 1761 Roofing/Siding, Sheet Metal
- 1771 Concrete Work Contractors
- 1799 Special Trade Contractors
- 2741 Misc. Publishing, Printing
- 2791 Typesetting, Plate Making
- 2842 Specialty Cleaning
- 3000 Airlines, Air Carriers**
- 3298**
- 3351 Car Rental Agencies**
- 3439**
- 3501 Hotels, Motels, Resorts**
- 3745**
- 4011 Railroads**
- 4111 Commuter Transp, Ferries**
- 4112 Passenger Railways**
- 4119 Ambulance Services**
- 4121 Taxicabs/Limousines**
- 4214 Trucking/Freight Carriers
- 4215 Courier Services
- 4225 Public Warehousing
- 4411 Cruise Lines**
- 4457 Boat Rentals and Leases
- 4468 Marinas, Service and Supplies
- 4511 Airlines, Air Carriers**
- 4582 Airports, Flying Fields
- 4722 Travel Agencies, Tour Oper**
- 4723 TUI Travel - Germany**
- 4761 Transportation/Travel**
- 4784 Tolls/Bridge Fees
- 4812 Telecommunication Equip
- 4814 Telecom Serv/Fax
- 4815 VisaPhone
- 4816 Computer Network Services
- 4821 Telegraph Services
- 4829 Wires, Money Orders**
- 4899 Cable/Pay Television
- 4900 Utilities
- 5013 Motor Vehicle Supplies
- 5021 Office Furniture
- 5039 Construction Materials
- 5044 Photographic Supplies
- 5045 Computer Equipment
- 5046 Commercial Equipment
- 5047 Medical/Dental Equipment
- 5051 Metal Service Centers
- 5065 Electrical Parts/ Equipment
- 5072 Hardware Equip/Supplies
- 5074 Plumbing/Heating Supplies
- 5085 Industrial Supplies
- 5094 Precious Stones & Metals
- 5099 Durable Goods
- 5111 Stationery/Office Supplies
- 5122 Drugs and Proprietaries
- 5131 Piece Goods, Notions
- 5137 Uniforms
- 5139 Commercial Footwear
- 5169 Chemicals/Allied Products
- 5172 Petroleum and Products
- 5192 Books/Periodicals/Papers
- 5193 Florists Supplies, Flowers**
- 5198 Paints, Varnishes, Supplies
- 5199 Nondurable Goods
- 5200 Home Supply Warehouses
- 5211 Lumber, Building Materials
- 5231 Glass, Paint, Wallpaper
- 5251 Hardware Stores
- 5261 Lawn & Garden Supplies
- 5271 Mobile Home Dealers
- 5300 Wholesale Clubs
- 5309 Duty Free Stores**
- 5310 Discount Stores
- 5311 Department Stores
- 5331 Variety Stores
- 5399 Misc General Merchandise
- 5411 Grocery, Supermarkets
- 5422 Freezer, Meat Locker
- 5441 Candy, Nut Stores
- 5451 Dairy Products Stores
- 5462 Bakeries
- 5499 Misc. Food Stores
- 5511 Auto/Truck Sales, Serv, Repr
- 5521 Auto/Truck Dealers
- 5531 Auto and Home Supply
- 5532 Automotive Tire Stores

5533 Auto Parts, Accessories
 5541 Service Stations
 5542 Automated Fuel Dispensers
 5551 Boat Dealers
 5561 Camper Dealers
 5571 Motorcycle Shops/Dealers
 5592 Motor Homes Dealers
 5598 Snowmobile Dealers
 5599 Misc Auto Dealers
 5611 Men's/Boy's Clothing
 5621 Women's Ready-to-Wear
 5631 Women's Accessories
 5641 Children's/Infants' Clothing
 5651 Family Clothing Stores
 5655 Sports Apparel
 5661 Shoe Stores
5681 Fur Stores
 5691 Clothing Stores
 5697 Tailors, Alterations
 5698 Wig and Toupee Stores
 5699 Misc Apparel Stores
 5712 Furniture, Excl Appliances
 5713 Floor Covering Stores
 5714 Drapery/Upholstery Stores
5718 Fireplace Accessory Stores
5719 Misc Home Furnishings
5722 Home Appliance Stores
5732 Electronic Sales
 5733 Music Stores
 5734 Computer Software Stores
5735 Record Shops
 5811 Caterers
 5812 Eating Places, Restaurants
 5813 Drinking Places
 5814 Fast Food Restaurants
 5912 Drug Stores, Pharmacies
5921 Package Liquor Stores
 5931 Used Merchandise
5932 Antique Shops
5933 Pawn Shops
 5935 Wrecking/Salvage Yards
5937 Antique Reproductions
 5940 Bicycle Shops
5941 Sporting Goods Stores
 5942 Book Stores
 5943 Stationery/Office Supplies
5944 Jewelry Stores
5945 Hobby, Toys and Game Shops
5946 Camera and Supplies
 5947 Gift, Card, Novelty Shops
 5948 Luggage, Leather Shops
 5949 Sewing/Fabric Stores
 5950 Glassware/Crystal Stores
5960 Direct Mrktg - Insurance Serv
5962 Direct Marketing - Travel
 5963 Door-to-Door Sales
 5964 Direct Mktg - Catalog
 5965 Direct Mktg Catalog, Retail
 5966 Direct Mktg - Outbound Tele
 5967 Direct Mktg - Inbound Tele
 5968 Direct Mktg - Subscription
 5969 Direct Mktg - Other
 5970 Artists' Supplies, Crafts
 5971 Art Dealers and Galleries
5972 Stamp and Coin Stores
5973 Religious Goods Stores
 5975 Hearing Aids
 5976 Orthopedics, Prosthetics
5977 Cosmetic Stores
 5978 Typewriter Sales, Rent, Serv
 5983 Fuel Dealers
5992 Florists
5993 Cigar Stores and Stands
 5994 News Dealers, Newsstands
 5995 Pet Shops, Food, Supplies
 5996 Swimming Pools Sales/Serv
 5997 Electric Razors - Sales/ Serv
 5998 Tent and Awning Shops
 5999 Misc/Specialty Retail
6010 Manual Cash Disburse
6011 Automated Cash Disburse
6012 Financial Institutions
6051 Non FI, Money Orders
6211 Security Brokers/Dealers
6300 Insurance Underwriting, Prem
6760 Savings Bonds
7011 Hotels, Motels, Resorts
7012 Timeshares
7032 Sporting/Recr Camps
7033 Trailer Parks, Campgrounds
 7210 Laundry, Cleaning Services
 7211 Laundries
 7216 Dry Cleaners
 7217 Carpet/Upholstery Clean
 7221 Photographic Studios
 7230 Barber and Beauty Shops
 7251 Shoe Repair/Hat Cleaning
 7261 Funeral Serv, Crematories
7273 Dating/Escort Services
7276 Tax Preparation Service

7277 Counseling Service
7278 Buying/Shopping Services
7296 Clothing Rental
7297 Massage Parlors
7298 Health and Beauty Spas
7299 Misc General Services
7311 Advertising Services
7321 Credit Reporting Agencies
7333 Commercial Photography
7338 Quick Copy, Repro, Blueprint
7339 Secretarial Support Services
7342 Exterminating Services
7349 Cleaning and Maintenance
7361 Employ/Temp Agencies
7372 Computer Programming
7375 Information Retrieval Serv
7379 Computer Repair
7392 Consulting, Public Relations
7393 Detective Agencies
7394 Equipment Rental
7395 Photo Developing
7399 Misc Business Services
7512 Car Rental Agencies
7513 Truck/Utility Trailer Rentals
7519 Recreational Vehicle Rentals
7523 Parking Lots, Garages
7531 Auto Body Repair Shops
7534 Tire Retreading & Repair
7535 Auto Paint Shops
7538 Auto Service Shops
7542 Car Washes
7549 Towing Services
7622 Electronics Repair Shops
7623 A/C, Refrigeration Repair
7629 Small Appliance Repair
7631 Watch/Jewelry Repair
7641 Furniture Repair, Refinishing
7692 Welding Repair
7699 Miscellaneous Repair Shops
7829 Picture/Video Production
7832 Motion Picture Theaters
7841 Video Tape Rental Stores
7911 Dance Hall, Studios, Schools
7922 Theatrical Ticket Agencies
7929 Bands, Orchestras
7932 Billiard/Pool Establishments
7933 Bowling Alleys

7941 Sports Clubs/Fields
7992 Golf Courses - Public
7993 Video Game Supplies
7994 Video Game Arcades
7995 Betting/Casino Gambling
7996 Amusement Parks/Carnivals
7997 Membership Clubs
7998 Aquariums
7999 Misc Recreation Services
8011 Doctors
8021 Dentists, Orthodontists
8031 Osteopaths
8041 Chiropractors
8042 Optometrists, Ophthalmologist
8043 Opticians, Eyeglasses
8049 Chiropodists, Podiatrists
8050 Nursing/Personal Care
8062 Hospitals
8071 Medical and Dental Labs
8099 Medical Services
8111 Legal Services, Attorneys
8211 Elemen, Secondary Schools
8220 Colleges, Universities
8241 Correspondence Schools
8244 Business/Secretarial Schools
8249 Vocational/Trade Schools
8299 Educational Services
8351 Child Care Services
8398 Charitable Organizations
8641 Civic, Social, Fraternal Assoc
8651 Political Organizations
8661 Religious Organizations
8675 Automobile Associations
8699 Membership Organizations
8734 Testing Laboratories
8911 Architectural/Surveying Serv
8931 Accounting/Bookkeeping Serv
8999 Professional Services
9211 Court Costs
9222 Fines
9223 Bail and Bond Payments
9311 Tax Payments
9399 Government Services
9402 Postal Services
9700 Automated Referral Serv
9950 Govt to Govt Sales

EXAMPLES OF CARDHOLDER MISUSE/FRAUD

Case #1 – Cardholder conspired with business owner to make purchases not authorized by cardholder’s agency. Merchant circumvented authorization process to allow cardholder to make purchases for personal consumption. Cardholder approved transactions.

Case #2 – Cardholder conspired with local company to make unauthorized purchases. No receipts were found to support the purchase and the amount of purchases from this company exceeded the normal expenditures of other cardholders. The goods or services purchased were never delivered to the Government.

Case #3 – Business owner approached cardholder and offered to provide kick-backs to cardholder if cardholder made supply purchases from his business. Cardholder was authorized to make purchases of these supplies and the supplies were delivered. Company provided false receipts for supplies. Cardholder repeatedly made transactions with this company. Company paid cardholder a percentage of sales price.

Case #4 – Cardholder obtained goods and services for personal use. The ship to address was the employee’s home. A third party did not confirm receipt of materials. Cardholder advised merchant to split transactions to ensure they would not exceed the cardholder’s single purchase limit.

Case #5 – Cardholder made an unauthorized purchase. When questioned, the cardholder requested a credit from the merchant. The merchant issued a credit but later rebilled the account. Cardholder was hoping that the transaction would pass review at a later date.

Case #6 – Vendors continually charged \$2499 to \$2500, more than once on the same day, and/or every day for one week. It was also identified that on an unspecified date and time the vendors would meet to split profits with cardholder(s).

Case #7 – Cardholders would establish front companies to receive payment for merchandise never received. Cardholders would then conspire with either other contractors or other employees to utilize business to obtain larger profit margin and to show some legitimate business was being conducted.

APPENDIX 1

Disclaimer:

*The following information contained in Appendix 1 (Annual Review Process and Attachments) is intended to serve as a **guide** for your A/OPCs in order to detect cardholder misuse/fraud. It is not intended to serve as a template for all agencies.*

SAMPLE MEMORANDUM

TO: Program Coordinators
FROM:
SUBJECT: Purchase Card Annual Review

In accordance with your Delegation of Procurement Authority, you are required to perform an annual review of your post or bureau's Purchase Card activity and implement program improvements where non-compliant issues have been identified. The purpose of the annual review is to ensure that Cardholders and Approving Officials are complying with established procurement management practices, operating procedures and established Purchase Card controls. To facilitate the annual review process, the following **[sample]** documents are attached for your use: (1) Purchase Card Annual Review Checklist (Attachment 1); (2) Summary of Findings (Attachment 2) and; (3) Certification of Completion of Purchase Card Annual Review (Attachment 3). These documents are available from [your agency's] web site on _____ (Intranet) and _____ (Internet).

Annual reviews and reports are to be performed and completed by each bureau or post on a fiscal year basis. Reviews of the previous fiscal year Purchase Card activity must be conducted and completed in the first quarter of each new fiscal year. During the second and third quarter of each fiscal year, the A/OPC will conduct random reviews of bureau and post findings. If your bureau or post is selected, you will be required to submit a copy of your findings along with any supporting documentation. Since we recently implemented our standardized annual review policy in January 2001 to incorporate the attached documents, the date for completion of the fiscal year 2000 annual review for all bureaus and posts is extended from December 31, 2000 to March 1, 2001. This extension of the annual review completion date is applicable only to the FY 2000 reviews.

As a result of your participation and support, the Purchase Card program has been a success since its implementation at the Department in 1992. This is reflected in the tremendous growth of the program. We encourage posts and bureaus to share annual review best practices with each other. Your continued cooperation and support will help us to make future improvements to the program and standardize Purchase Card processes wherever possible. Should you have any questions regarding the annual review process, please contact _____.

Thank you very much.

SAMPLE OF PURCHASE CARD ANNUAL REVIEW

I. BACKGROUND

Under the Government-wide Purchase Card program, an annual review of Cardholder and Approving Official records must be performed on a fiscal year basis. The purpose of the annual review is to continually improve program operations while ensuring Cardholders and Approving Officials comply with established procurement management practices, operating procedures and established Purchase Card controls. This policy provides an overview of the annual review process, introduces **sample forms** to be used in the review and explains the steps involved in conducting the annual review.

II. OVERVIEW OF ANNUAL REVIEW PROCESS

Annual reviews and reports are to be performed and completed by each bureau or post on a fiscal year basis. Reviews of the previous fiscal year Purchase Card activity must be conducted and completed in the first quarter of each new fiscal year. Approving Officials may assist the Program Coordinator in the annual review process where needed. The process consists of a review of a random sampling of Cardholder records, the documentation of any findings for improvement and the certification of completion of the annual review process. The individual steps in the process are discussed under Part IV below.

During the second and third quarter following each fiscal year, the A/OPC will conduct random reviews of each bureau and post findings. If your bureau or post is selected, you will be required to submit a copy of your annual review package consisting of the three attachments noted above along with any supporting documentation. Annual reviews and supporting documentation must be retained in the file for a minimum of three years.

Since we recently implemented our standardized annual review policy in January 2001 to incorporate the attached documents, the date for completion of the fiscal year 2000 annual review for all bureaus and posts is extended from December 31, 2000 to March 1, 2001. This extension of the annual review completion date is applicable only to the FY 2000 reviews.

III. ANNUAL REVIEW FORMS

To facilitate the annual review process, **sample** forms have been developed. The annual review forms are available from [\[your agency's\]](#) Web site and include:

- Purchase Card Annual Review Checklist
- Summary of Findings
- Certification of Completion of Purchase Card Annual Review

Sample Purchase Card Annual Review Checklist (Attachment 1): The Purchase Card Annual Review Checklist is used in the initial review of each Cardholder's records to determine compliance with procurement buying policies, regulations and procedures. The Program Coordinator must complete one checklist per each individual Cardholder record reviewed in the random sample selected.

Sample Summary of Findings (Attachment 2): This form is used to summarize findings including areas of non-compliance and recommendations for improvements identified in the checklists, Cardholder records or interviews with Purchase Card participants. Best practices and recommendations for improving the Purchase Card program are to be addressed at the end of the Summary of Findings form.

Sample Certification of Completion of Purchase Card Annual Review (Attachment 3): This form consists of a certification that must be dated and signed by the Program Coordinator upon completion of the annual review. The annual review package including the certification of completion must be retained in the bureau or post files for a minimum period of three years.

IV. STEPS IN ANNUAL REVIEW PROCESS

The following steps are provided for your **guidance** in conducting the annual review:

- a. Select Random Sample:** Randomly select a sufficient number of Purchase Cardholder records under each of your established Approving Official accounts. The number selected must be large enough to provide an adequate sampling of Purchase Card operations within your bureau or post. Pertinent information related to the random sample selected must be documented in the space provided on the Annual Review Checklist and the Summary of Findings, i.e., the number of accounts selected, the names and individual account numbers of the Approving Officials and the Cardholders, the individual Cardholder's single and monthly purchase limits, total number of Cardholder records reviewed, etc.
- b. Conduct Interviews:** Conduct short interviews with the Approving Official, Cardholder and budget or finance officer to discuss how the Purchase Card program and related procedures are working. The interviews can be a valuable source of information regarding bureau or post operational procedures and individual concerns or recommendations about the program. Both positive and negative comments should be solicited.
- c. Complete the Purchase Card Annual Review Checklist:** Complete an "Annual Review Checklist" for each Cardholder record selected in your random sample. Address each specific review criteria contained in the Annual Review Checklist provided in Attachment 1 of this policy for each Cardholder record reviewed and document findings. A separate checklist must be completed for each Cardholder record reviewed.

- d. Complete Summary of Findings:** Document areas of non-compliance, recommendations for improvement and areas of Purchase Card best practices. For example, any areas of concern or problems found during any aspect of the review should be summarized along with a discussion of what steps have been taken to correct the areas of non-compliance. Specific examples should be cited whenever possible. Only findings related to areas of non-compliance need to be summarized by the Program Coordinator unless addressing best practices, recommendations or comments. The Program Coordinator may also address in the Summary of Findings general or miscellaneous areas not addressed on the checklists such as whether Citibank and the merchants are providing acceptable customer service. Areas of best practices are to be documented on the last page of the Summary of Findings. Any best practices or recommendations provided will be used to improve the Purchase Card program.
- e. Complete Certification of Completion:** Complete the certification contained in Attachment 3 upon completion of the annual review.
- f. Retain files for three years:** Retain copies of the annual review package and any supporting information in the files for a minimum period of three years.

ATTACHMENT 1

SAMPLE ANNUAL REVIEW CHECKLIST

Cardholder Name: _____ Date of Review: _____
 CH Account No.: _____ Period Covered: _____
 AO Name: _____ AO Account No.: _____

NO.	SPECIFIC REVIEW CRITERIA	COMPLIANT		
		YES	NO	N/A
A. CARD USAGE REQUIREMENTS				
1	The Cardholder is the only individual who has used his or her card. (Determine if others have used the card or card number in the Cardholder's absence.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Purchases have not exceeded the Cardholder's single purchase limit (SPL). The Cardholder's SPL is _____.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Cardholder has not split requirements to stay under single purchase limit (SPL). (Look for repeated orders during a short time period for the same goods or services).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Back orders have not been permitted. All goods and services ordered were available for immediate delivery.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Cardholder has checked Required Sources of Supplies or Services prior to ordering on the open market (i.e. Agency Inventories or Excess Property, FPI or UNICOR, NIB/NISH or JWOD, GSA Supply Programs, Federal Supply Schedules).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Purchases by the Cardholder were for official Government business only.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Purchase Card was not used to purchase any of the following unless a specific authorization was granted in writing by the A/OPC:			
	a. Cash Advances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Advance Payments except for subscriptions or publications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Rental or Lease of Land or Buildings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	d. Individual Travel Expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	e. Professional Services for medical, legal, design/engineering or consulting services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	f. Vehicle Rental or Lease	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	g. Caterers, Restaurants, Bars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NO.	SPECIFIC REVIEW CRITERIA	COMPLIANT		
		YES	NO	N/A
	h. Telephone Services (excludes cell phones and service)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Construction above \$2,000/year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	j. Services other than construction above \$2,500/year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	k. Supplies that contain hazardous substances or hazardous Waste Clean-Up and Disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	l. Rental and Maintenance Agreements above \$2,500/year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	m. Membership in Organizations including Charitable and Social Organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	n. Personal Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	o. Entertainment, amusement and recreational services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	p. Firearms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	q. Pesticide purchase or application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	r. Copying jobs that exceed 5,000 copies of one page (single sided) or 25,000 copies total of multiple pages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	s. Print jobs that exceed \$1,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Cardholder should not pay any U.S. State taxes (Examine receipts to verify if any taxes have been included).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. DOCUMENTATION REQUIREMENTS				
1	All purchases reviewed are supported by:			
	a. A valid written authorization that describes what is to be purchased and signed by someone with authorized requisitioning authority (i.e. procurement request); and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Budget Office approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The Cardholder's monthly Statement of Account is supported by the following documentation:			
	a. Each transaction is supported by a Purchase Card receipt and/or cash register tape. If these are not available, a statement indicating why a receipt and/or cash register tape are not available i.e. telephone orders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Proof of delivery or completion of performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NO.	SPECIFIC REVIEW CRITERIA	COMPLIANT		
		YES	NO	N/A
	c. A description is on the statement for each line item delivered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	d. The appropriate accounting, budget or project code is shown on the statement for each transaction. (Spot check budget and accounting codes to verify they are accurate).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	e. Disputed purchases are annotated on the statement and a copy of the Cardholder Dispute Form is attached.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	f. Credit vouchers are attached to the statement if applicable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	g. Statement is signed and dated by Cardholder and Approving Official.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	The Cardholder entered the purchase in the Purchase Card Buying Log each time the card is used (Ensure that the Cardholder is not constructing the log from the monthly Purchase Card statement i.e. purchases on the log and statement are in the same order).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Cardholder has a copy of the Purchase Card On-Line Training Guide.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Cardholder has a copy of his or her delegation of Procurement Authority on file.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. PROCESSING REQUIREMENTS				
1	Cardholder has sent statement to AO within 5 working days of receipt.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The AO has sent statement to finance office within 3 working days of receipt. Determine how many days elapsed between the date the Cardholder and the AO signed the statement. This should not exceed 8 working days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Records have been retained for 3 years after date of final payment (If Cardholder has had card over three years, verify that records are being retained).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. MISCELLANEOUS REQUIREMENTS				
1	Purchase Card is kept adequately secured (Is the card kept locked up in the office when not in use?).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NO.	SPECIFIC REVIEW CRITERIA	COMPLIANT		
		YES	NO	N/A
E. FINANCIAL COMPLIANCE				
1	Verify that the AO is providing monthly statements to the Finance Office in a timely manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Verify that Cardholder is entering correct budget codes and account codes when completing the statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Cardholder has submitted 1099 tax information to the Finance Office for all convenience check transactions (when applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. REQUIREMENTS FOR PURCHASES OVER \$2,500				
<i>(If Cardholder has single purchase limit (SPL) greater than \$2,500 per transaction)</i>				
1	Competition, and documentation thereof, is required and must be in the file. If competition was not obtained, a valid sole source justification must be in the file.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Domestic purchases must be set-aside for small businesses. If not set-aside, a justification must be in the file (domestic only).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Cardholder must attempt to purchase from minority or women-owned businesses (domestic only).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	In the absence of competition, prices were determined by the Cardholder to be fair and reasonable (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Cardholder files contain appropriate FAR and Agency Specific clauses and are documented to show that representations and certifications were forwarded to the vendor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Cardholder is using ["Green Folder" (DS-3014)] to document Purchase Card transactions exceeding \$2,500 per purchase.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Cardholder is using ["White Folder" (DS-1919)] to document delivery orders placed against Federal Supply Schedule (FSS) contracts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Individual Procurements over \$25,000 comply with all applicable FAR and Agency Specific requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ADDITIONAL FINDINGS, COMMENTS OR RECOMMENDATIONS:				

ATTACHMENT 2

SAMPLE SUMMARY OF FINDINGS

Bureau/Post: _____ Date of Review: _____

Program Coordinator
Name: _____ Period Covered: _____

Program Coordinator
Title: _____ Total No. of Cardholder Records
Reviewed: _____

Total No. of
Cardholders: _____ Percentage of Total Records
Reviewed: _____

ATTACHMENT 3

SAMPLE CERTIFICATION OF COMPLETION OF PURCHASE CARD ANNUAL REVIEW

The certification below must be completed by the Program Coordinator and retained in the file with the Purchase Card Annual Review Checklist (Attachment 1) and the Summary of Findings (Attachment 2) for a minimum period of three years.

Reviewer (Program Coordinator, Print Name)

Reviewer (Signature)

Reviewer Title

01/2001

APPENDIX 2

QUESTIONABLE GOVERNMENT PURCHASE CARD PURCHASE(S):

A review of the Account Cycle Report (_____) identified a questionable purchase(s) charged to your account and is/are described below. Also, please give a detailed explanation in the space provided at the bottom of this form. Fax any supporting documentation that relates to this purchase within five (5) working days to the Installation Purchase Card Program Manager's office. This is a surveillance method and does not necessarily mean an unauthorized purchase was made. However, failure to provide a timely response may result in suspension of your Government Purchase Card privileges. Any questions should be directed to _____. Thank you!!!

Billing Official: _____ Cardholder: _____

Master Account Code/

Company Number: _____ Organization: _____

Name of Vendor: _____ Purchase Date: _____

Amount of Charge(s): _____

Please provide clarification regarding the following questionable Government purchase card (GPC) purchase(s) and submit all supporting documentation to the purchase card help desk.

- May be a split requirement. Repeated purchases appear to have been made from the same vendor. Provide an explanation of the item(s) purchased below.
 - May be an unauthorized purchase based upon vendor – provide a detailed description of the item(s) purchased below and the purpose of the items.
 - Purchase may require a special approval – provide a copy of the signed special approval you obtained prior to the purchase.
 - Purchase may be a mandatory source item (UNICOR/JWOD) – provide a copy of applicable waiver and any other supporting documentation to justify using another source.
 - May have been duplicate billed – verify if duplicate billing has occurred. If so, contact vendor for credit and or fill out and attach a copy of Cardholder Questioned Item Form and fax to bank.
 - Purchases may have been partially billed without cardholder's permission – if this has occurred without cardholder's permission, document problems and attach a copy of documentation.
 - Cash advances/Money Orders – Prohibited under the Purchase Card Program.
 - Other: _____
-
-
-



Smarter Solutions



APRIL 2002

GSA FEDERAL SUPPLY SERVICE
SERVICES ACQUISITION CENTER

U.S. GENERAL SERVICES ADMINISTRATION

1941 JEFFERSON DAVIS HIGHWAY, ROOM 507
ARLINGTON, VA 22202
WWW.GSA.GOV

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